



REGULAR MEETING
PUBLIC EMPLOYEES' RETIREMENT BOARD

January 10, 2008

The regular meeting was called to order by President Jay Klawon at 8:30 a.m. Thursday, January 10, 2008. Roll call was taken with all members of the Board being present. Board members and staff present were:

Jay Klawon, President
John Paull, Vice President
Robert Griffith, Member
Troy McGee, Member
John Nielsen, Member
Ray Peck, Member
Terry Smith, Member
Roxanne Minnehan, Executive Director
Melanie Symons, Legal Council
Scott Miller, Legal Council
Ursula Hatfield, Executive Assistant

OPEN MEETING

Beth Long, Great West Retirement Services; Linda Ulrich, Great West Retirement Services; Doug Neill, Kurt Bushnell, Chad Nicholson, Scott Moore, Tom Schneider, Matt Norby and Jack Trethewey, members of the Montana State Firemen's Association; and Kim Flatow, Member Services Bureau Chief; Barb Quinn, Fiscal Services Bureau Chief; Diann Levandowski, Assistant Fiscal Services Bureau Chief, joined the meeting

MINUTES OF OPEN MEETING

The minutes of the open meeting of December 13, 2007 were presented.

Changes/Typos:

Mr. Terry Smith stated that the minutes were too brief and requested the Executive Assistant review the tapes a second time to revise the meeting minutes. Mr. Smith felt that important information was not in the minutes that should have been. Mr. Robert Griffith and Mr. Troy McGee, both stated that past minutes have been too lengthy and these minutes were sufficient.

Moved: Mr. Terry Smith to have tapes reviewed and minutes revised

Seconded: Mr. John Nielsen

Vote: 5/2 with Mr. Griffith and Mr. McGee voting nay.

Public Comment: SABHRS Task Force Meeting - Barbara Quinn

Ms. Quinn and Ms. Flatow attended a SABHRS task force meeting. The Department of Administration (DOA) discussed where to go with SABHRS. Due to cost they have decided to stay with SABHRS. They could go with third party for maintenance or continue with PeopleSoft. Right now they pay approximately \$800,000.00 annually to SABHRS in maintenance, this goes up 3 – 5% annually. Licensing fees are in addition to this cost. If they go with a third party vendor, they could save money. The draw backs are that they are frozen in time and if any agency purchases any other module, then they will not work together. The result is an increase cost to MPERA, but a better product for the state.

EXECUTIVE DIRECTOR'S REPORT – Roxanne Minnehan, Executive Director

EIAC Recommendations – Roxanne Minnehan

Investment Options

Wilshire Consultants provided quarterly reviews of the investment options in both 457 and 401(a) defined contribution plans. In December, Wilshire went over their review with the EIAC. EIAC has now past these recommendations to the Board. New 457 Plan EIAC is recommending that the Hotchkis and Wylie Mid Cap be terminated, and conduct a search for a replacement that meets the requirements in the policy statements. Wilshire is also recommending that the Munder Small Cap go on probation due to its performance dropping and is significantly weighted in financials.

Mr. Smith stated that the mutual fund options in the 457 and 401(a) plans should be consolidated to make the investment decision easier and would also be cost efficient due to not using consultants and this would allow the money to go into the participant's accounts. Mr. Smith makes a motion to consolidate the 457 and 401A DC Plan be consolidated. This motion was withdrawn and asked to be on the agenda for next meeting.

Moved: John Paull moves to accept EIACs recommendations for the 457 plan investment options.

Second: Robert Griffith

Vote: 7/0

401(a) Plan

The EIAC recommendations are to terminate SSGA International Growth Opportunities Fund and conduct a search for a replacement. This fund has been on probation and continues to under perform. EAIC also recommends terminating Hotchkis and Wylie Small Cap fund and conducting a search because they are not meeting the criteria in the investment policy statement and their performance has dropped significantly. Probation is recommended for the Oakmark International Fund, early returns have been below the benchmark and they are heavily weighted in financials.

Motion: Robert Griffith moves to accept the EIACs recommendations for the 401(a) investment options.

Second: John Paull

Vote: 7/0

Investment Policy Statements

EIAC has been conducting annual reviews of the investment policy statements (IPS). This year, EIAC is not making any significant changes to the IPS statements. The changes they are recommending (1) change of name of Association of Investment Management Research to CFA Institute. (2) Restructure the first sentence of the paragraph immediately following the definitions in Section 3, for clarification purposes. These recommendations are for the IPS in both the 457 and 401(a) plans.

Motion: Robert Griffith moves to accept EIACs recommended changes to IPS.

Second: John Nielsen

Vote: 6/1 with Terry Smith voting nay.

457 Adoption Resolution and Agreement - City of Sydney (Roxanne Minnehan)

The City of Sydney has adopted Resolution and Adoption Agreement to enter into contract with the Public Employees' Retirement Board. The contract is effective February 1, 2008. MPERA will visit with them and start the deferment.

Motion: Troy McGee moves to accept and sign the Resolution and Adoption Agreement allowing the city of Sidney to join the State 457 deferred compensation plan, effective February 1, 2008.

Second: Terry Smith

Vote: 7/0

Adoption of Amended Rule for Service Purchase with 457 Funds (Scott Miller)

The Board previously approved the proposed rule, no public comment was received. The rule has not changed from the initial draft. The amendment needs to be approved at this time. Mr. Scott Miller brought to the attention of the Board that this allows trustee to trustee transfers. The IRS has opened this back up under the PPA.

Motion: John Paull moves to approve accompanying "Notice of Amendment" and to authorize the Board President to execute the Notice of Amendment, the formal promulgation of the rules, and the Notice of Proposed Amendment.

Second: Troy McGee

Vote: 7/0

VFCA, Columbus VFD, Request for Acceptance of Late Annual Certificates -
(Diann Levandowski)

This is the second late filing of the same Annual Certificates, for the fiscal years of 1995, 1996, 1997 and 1998. This was originally sent in with documentation in 1999, first filing. In 2005, we received a second filing; however, this was from the Assistant Fire Chief. The Fire Chief is one of the members requesting that we look at his credited years of service. In 1999, we received signed training documents with the members' signatures. The information received in 2005 was an Excel spreadsheet. The paperwork submitted in 2005 is not consistent with the paperwork originally filed in 1999. Due to this Ms. Levandowski is recommending that they submit supporting documentation including signatures for each training topic. The concern is that the documentation is inconsistent.

Motion: John Paull moves to table and requesting receipt of signed training records to support the Excel spreadsheet by the February Board Meeting.

Second: Terry Smith

Vote: 4/3 with Troy McGee, John Nielsen and Jay Klawon voting nay.

PERS Local Government Contract – Northwest Montana Education Cooperative - (Roxanne Minnehan)

Local governments can contract for coverage under the PERS. Northwest Montana Education Cooperative has been reviewed by legal staff. The contract is effective February 1, 2008 or the first regular pay period beginning more than one month after PERB approval. Melanie Symons brought up that in the past we did not approve these contracts. Northwest Montana Education Cooperative provided a lot of information documenting their organizational structure. This is how the smaller school districts provide special education, they work together to cut cost.

Motion: Robert Griffith moved approval of the contract for PERS coverage between the Northwest Montana Education Cooperative and the Public Employees' Retirement Board.

Second: Terry Smith

Public comment invited by Jay Klawon, none given

Vote: 7/0

Out-of-State Travel Auth. – GFOA Conference , June 15-18, Fort Lauderdale, FL –
(Diann Levandowski, Barbara Quinn)

MPERA has been attending the Annual GFOA Conference since 1998. This year the annual conference of the Government Finance Officers' Association (GFOA) is in Miami, June 15-18. The conference offers training in accounting and financial reporting, budget and planning, management, information technology and pension benefits. The request is for Barbara Quinn, fiscal Services Bureau Chief and Diann Levandowski, Assistant Fiscal Services Bureau Chief. The conference is included in the FY 2008 approved budget.

Moved: John Neilsen

Seconded: John Paull

Public comment invited by Jay Klawon. None given

Vote: 7/0

Jay invited members of the audience to introduce themselves to Ray Peck, newest member of the Board.

Board Education – Open Meetings - Melanie Symons

The open meeting concept derive from two constitutional provisions, (1) the person's right to know; (2) the right to participate. The agenda has to be specific; it can not just say the doors are open, but must give proper times and topics. The definition of "open meeting" is any non ministerial decision or action that affects a portion of the community. The public right to participate applies to all of our committees and Board meetings. Items in closed meetings are for individual's right to privacy that does not affect the public. In 2003, the Legislature clarified in 2-3-103, MCA, the public's right to participate does not apply to contested cases. The same statute is the only clarification of right participation vs. right to privacy. A 2005 Attorney General's Opinion, states that the public participation right has not been limited for any reason other than contested cases. The example used a school's disciplinary action on one student. This would not be a matter of public interest. But if an administrator has been under investigation for misconduct, this would become under the public's right to know.

The question raised last month addressed whether it is necessary to come back out of closed into open session to vote on the closed session issues? Melanie stated yes, if it pertains to public issues. However, a person's disability issues and whether they can do their job, then no, this is not required by the public's right to participate.

2008 Budget – 2nd quarter Statues Report - Barbara Quinn

December 31, 2007 marked the halfway point for the fiscal year 2008. The budget reports break down the budget into each program. The programs are the Defined Benefit Plans, Defined Benefit Education, Defined Contribution Plan, Defined Education Plan and the Deferred Compensation Plan. The spreadsheet shows items paid as of December 1 2007. We should be 50%, with the exception to anything paid up front and anything pending. As of December 31, 2007, not all of December services have been invoiced. Salaries are paid through pay period ending December 21, 2007 which is pay day of January 2, 2008. The costs that are 100% expended are insurance, bonds and messenger services. The 50% expended are payroll service fees, personnel unit fees, audit fees, cellular phones and rent. Our personal services are expended are 39.69%, other services 26.65%, supplies and materials 28.71%, communications 16.25%, travel 23.47%, rent almost 50%, repairs and maintenance 41.45%, and other expenses 18.03%. Overall, the budget is 33.14% expended.

Things we are watching for budget purposes are supplies and materials, data processing, this is over all expended at 62%. This is for computers bought for the year at the first part of the year. Under repairs and maintenance, office equipment is budget for repairs of office machines.

For the DB expenses the cap was compared through December 31st, 2007, the amended budget was to be shown at \$139,000.00 under cap; we are showing \$700,000.00 under cap. This does not include the non union salary increases.

The DB, DC and 457 plans, cash balance at the beginning of the year on DC line item for employer forfeitures of \$163,000.00.

We project to be under 100% for all these programs. Mr. Smith asked if disability account balance was available. Mr. Smith also asked that it be included in the next budget spreadsheet.

2007 Comprehensive Annual Financial Report Presentation (CAFR) - Diann Levandowski

New to the 2007 CAFR this year is an organizational chart, on page 13, has a new format.

Pension disclosures: Government Accounting Standards Board Statement no. 50. The disclosures are amendments to GASB Statement No. 25 and present the disclosures of the actuarial methods, assumptions and funded status of the plan in financial notes. Decreasing the notes concerning the disclosure risk was required concerning the disclosure of risk per the GASB statement 40.

The annual report is divided into five different sections; introductory, financial, investments, actuarial, and statistical.

The introduction contains the table of contents, mission statements for PERB and MPERA, letter of transmittal, GFOA and Public Pension awards, picture of the Board Members, MPERA organizational chart, and 2007 Legislative highlights.

On pages 17 – 92 is the financial section of the CAFR. Management's Discussion and Analysis provides an overview of the financial presentation and performance of the plans administered by the PERB as of June 30, 2007. This is followed by:

- (1) Financial Statements
- (2) Notes to the Financial Statements
- (3) Required Supplementary Information

The investment section is pages 93 – 112. The Montana Constitution and Montana statutes govern the investment activity of the retirement funds administered by the PERB. The "prudent expert principle," contained in the Montana Constitution and Montana statute, requires the fiduciaries of the funds, including the Montana Board of Investments (BOI), to discharge their duties in the same manner that a prudent expert acting in a fiduciary capacity and under the same circumstances exercises in the conduct of an enterprise of a similar character with similar objectives.

The actuarial section is pages 113 – 146. The actuarial methods and assumptions are described in this section. The methods and assumptions chosen by the PERB were based on the actuary's recommendation. The actuarial assumptions were adopted by the PERB on September 23, 2004. The recommendations were formed on the basis of recent experiences of the plans and the expectations of future conditions.

The last section is the statistical section found on pages 147 – 202. Issued in May 2004, pronouncement "*GASB Statement No. 44, Economic Conditioning Reporting: The Statistical Section*" establishes and modifies requirements related to the supplementary information presented in these section report.

MPERA Staffing – Roxanne Minnehan

Executive Assistant Position – Ursula Hatfield started Monday, 1/07/2008

Ursula has over five years experience in the health care field, scheduling patients and maintaining patient accounts and over seven years experience in retail and customer service

File Clerk/Back-up Receptionist – Leeann "Ann" Nydam started 1/07/2008

Ann recently moved here from Blaine, WA where she was administrative manger for a HOA for over six years. She has extensive customer service, administrative and personal computers skills

Accounting Clerk-

This position was posted internally, closed Friday, 1/4/2008 – no applicants. It was then posted statewide, and closes Wednesday, 1/23/2008

DC Plans Pay/Benefits Tech -

This position was posted internally, and closed Wednesday, 1/7/2008 – no applicants. It was then posted statewide and closes, Monday, January 28, 2008.

Auditor – New position

It has been posted statewide, and closes Monday, 1/28/2008.

This is a non-union position. The position will report directly to the Executive Director and the Board.

Administrative Support, Member Services – New position

We are finalizing the job profile for this position.

Verbal Update – SAVA Meeting, January 7 – Roxanne Minnehan

The study of House Joint Resolution 59 was discussed. The Committee reviewed the principles and guidelines in detail. The sponsor of the bill, Representative Dennis Himmelberger, suggested they set up subcommittee, there still some questions. The Committee tentatively adopted the principles and guidelines to have them in effect as they start to analyze proposals from stake holders. No subcommittees were set up.

A suggestion was brought up to contact Mr. Himmelberger to see what ideas he has. A second suggestion is to have a legislative committee meeting in February before the meeting to discuss what we need to bring to the April SAVA meeting. Discussion as to when a meeting would be best, ten days prior to next board meeting, so something can be added to the board packet. Friday the first was suggested and Mr. Griffith agreed. The Board's Legislative Committee meeting will be Friday February 1 at 1:30, Mr. Griffith, Mr. McGee and Mr. Peck may come to the Board room. Others will join via teleconference.

House Bill 771 was brought up to work with the legislature to bring up any benefit enhancement plans. This bill effected PERB, Teachers Retirement and Board of Investments.

Verbal Update - Board of Investments – John Paull

Through the first five months of the fiscal year ending November 30, returns are 2.03%. The return for December is going to be about -0.8%. Our FY to date for November 30, three year return is 10.9%, five year 11.48% and ten year 7.28%. Update on the Asset Allocation Report, the biggest change was in the Montana Real Estate Pool 3.4%; it was reported as 1.9%. The other plans are Domestic Equity Pool 42%, International Pool 20%, Private Equity Pool 7.9%, and Retirement Bonds Pool 23.9%. Assets for the different systems, PERS are \$4.2 billion, MPORS \$215 million, FURS \$204 million. Total assets for the retire systems, \$8.3 billion. Mr. Klawon brought up that the Domestic Equity Pool is no longer internally managed. Recently, commitments they have are \$864 million the returns grew by \$40.2 million. The prime broker Board of Investments hired was CitiBank. The three new managers for the partial long short large cap domestic equity portfolios were, JP Morgan, Analytic and Martin Gale. The allocated money has not been determined at this time. Recently a new commitment to the Real Estate pool of \$20 million was made to the AG Reality Fund VII. The Real Estate pool has 30.7% in the Core category, 33.6% Opportunistic and 35.8% Value added category. The approved range is a large 0 – 8. Mr. Sheets would like to get it 5% – 6% with in the next two years. The Montana International Stock Pool assets are \$1.7 billion. The Montana Private Equity Pool has an asset allocation of 7.9% of the pension funds. Mr. Sheets would like to the target allocation of 9% by the end of 2010.

Litigation Update – Melanie Symons, Scott Miller

Mr. Miller has been working on the MPPA lawsuit. MPPA's response is in the packet. MPPA's motion for summary judgment is that no genuine facts. Mr. Miller is working on his response which is due Monday, January, 14. The motion they submitted, is rather blanket allegation without any real facts.

Ms. Symons is working on the Administrative Rule Rewrite with Kim Flatow. They are now expanding this to the Management Team. They plan to have a draft in the February packet. The first draft will not include updates to the statutes that are being implemented, and statements for reasonable necessity.

Ms. Symons stated that the 125 Plan VCP signed agreement is in the PERB meeting packet. Ms. Symons was questioned about the last sentence of the letter from Terry Mumford to Ms. Symons stating, "You should maintain a business record of the corrections." This means we need to document the corrections made in accordance with the agreement.

Wylie v MPERB, Ms. Symons handed out a reply, Mr. Wylie filed a petition of review. Judge Sherlock is the presiding judge; Ms. Symons filed a reply to his reply, stating that many of the issues Mr. Wylie is protesting are required by law. The reply to the reply may not be accepted by the court.

Informational Summary Reports

These are in your packet.

Future Board Meetings

February 14th, 2008

March 13th, 2008

Future SAVA Meeting

February 22nd, 2008

Board of Investment FY 2007 Annual Report

Handed out to Board

Open Meeting adjourned approximately 11:15 AM

The following portion of the meeting relates to matters of individual privacy. The Board President determined that the demands of individual privacy clearly exceed the merits of public disclosure. As such, this portion of the meeting will be closed.

CLOSED MEETING



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PUBLIC EMPLOYEES' RETIREMENT BOARD
January 10, 2008

The closed meeting was called to order by President Jay Klawon, Thursday, January 10, 2008. Roll call was taken with all Board members being present. Board members and staff present were:

Jay Klawon, President
John Paull, Vice President
Robert Griffith, Member
Troy McGee, Member
John Nielsen, Member
Ray Peck, Member
Terry Smith, Member
Melanie Symons, Legal Counsel
Scott Miller, Legal Counsel
Roxanne Minnehan, Executive Director
Kim Flatow, Member Service Bureau Chief
Ursula Hatfield, Executive Assistant

MINUTES OF CLOSED MEETING

The minutes of the regular closed meeting of December 13, 2007 were presented.

Mr. Terry Smith moved that the tapes be reviewed and the minutes revised.

Mr. Robert Griffith brought up the point that if something is missing then it needs to be brought to the Executive Assistant so it can be added to the revision. Mr. Troy McGee stated that the motion should include the specific correction. Mr. McGee says that the closed meeting does need to be more information than the open, "These are minutes not, hours."

Mr. Klawon asked what specifically should be looked over and revised. Mr. Smith stated the PERS-DCRP, Service Credit Appeal, FB regarding the time worked.

Motion: Terry Smith moves that tapes be reviewed and minutes revised

Second: Ray Peck

Vote: 3 / 4 failed with Robert Griffith, Troy McGee, Jay Klawon and John Nielsen voting nay

Motion: Terry Smith moves to approve closed minutes with the revision of FB

Second: Ray Peck

Vote: passed 4/3 Robert Griffith, Troy McGee and Jay Klawon voting nay.

Contested Cases

Informal Consideration – 457, Hardship Denial Appeal, MG - Melanie Symons

Melanie Symons, Kim Flatow and Kathy Samson are members of the 457 Hardship Committee. Background: 457 plans allowed the option to take out money prior to retirement, death or termination of employment, due to a financial hardship. The member fills out a lengthy questionnaire, providing documentation of hospital statements, insurance Explanation of Benefits, to see what the insurance has paid, etc. The PPA has changed some of the requirements; it used to be for the participant and the participant's dependent. This has been expanded to include the participant's beneficiary. This will be changed in our plan document. In this particular instance the participant's father passed away. The recipient wanted to take money from of his 457 account to pay for the funeral expenses, about \$7000.00. We denied the request because the father is not the participant, a dependent or the participant's beneficiary. In 457 codes it defines the dependant as an individual for which the participant provides over half of their support. The father can be a dependent, but there is no documentation that the participant supported his father. He is asking the Board, to reconsider and reverse the committee's decision. He stated in his letter that the IRS gave him information that does not read the same as the Committee's position. Ms. Symons is speculating that he is referring to a 401(K) or 403(b), which has different criteria.

Ms. Symons was questioned whether he reduced his payroll deferrals. In the questionnaire he has written "Done." Ms. Symons was unable to confirm. Mr. McGee says that question six asked for examples of unforeseeable emergencies, includes foreclosure, evictions from employees home, medical and funeral expenses. Mr. McGee states he believes this is what passed MG is "aiming for." Ms. Symons states that MG has several siblings and his mother is alive.

Motion: John Paull moves to Uphold Emergency Withdrawal Committee's denial of MG's withdrawal request.

Second: Robert Griffith

Vote: 7/0

Informal Consideration – PERS, Service Purchase Request, JY - Kim Flatow

Ms. Flatow requests that the board consider this service purchase request by a retiree due to the members receiving incorrect information from one of the staff. She was advised that if she purchased five months it would increase her benefit by only \$22.00 per month, when it would

actually get her to the 25 year mark and increase her benefit by more than \$136.00 a month. The error wasn't discovered until she retired, at which time we determined that she over paid by \$541.81 (\$136.41/month for four months). She is requesting, with Ms. Flatow's agreement, that she be able to purchase both the employee and employer's share of the five months of service. Ms. Symons brought up that usually a person, who is no longer active, can not buy their time. However this action is correct because we can make corrections due fraud or error.

Motion: Robert Griffith moves to the allow service purchase request for JY.

Second: Terry Smith

Vote: 7/0

Retirement Report

- Disability Claims/Reviews: Katie Linjatie
 - MB is 34 years old; he has 8 years 9 months service as a police officer. He suffers from Post Traumatic Stress Disorder (PTSD). MB did service time in Iraq, so Ms. Linjatie is questioning if this is truly work related. He did also have a traumatic work related accident, where he hit a pedestrian. Ms. Linjatie is suggesting that this be determined as work related. Mr. McGee feels that there needs to be an annual review. Mr. McGee and Mr. Griffith feels that this be approved with annual review. Mr. Klawon asks Mr. Peck his opinion on PTSD. Mr. Peck states he goes to the VA two days a week and sits in as a senior WWII vet to mostly Vietnam vets. "PTSD is not very well defined disability as of yet." He agrees with Mr. McGee that annual review be included in the motion. The dollar amount would be the same if this is not ruled as "work related" just the IRS code will tax it or not. With the police officer system if they are not able to perform their duties, then it is half pay.

Motion: Troy McGee moves to approve request for duty related disability with annual review.

Second: Robert Griffith

Vote: 7/0

- CC 58 year olds; 13 years service as an administrative assistant. CC is diagnosed with diabetes mellitus, multiple sclerosis and sleep apnea. It appears that CC is working her job as she can, but is doing less and less. Her employer states she is no longer performing the modified duties, and she can't continue to work, medical supports that conclusion as does Dr. McEvoy. Ms. Linjatie recommends approval

of disability. Her prognosis is fair with continued decline. Ms. Linjatie didn't feel an annual review is necessary.

Motion: Troy McGee moved to approve the request for disability without annual review.

Second: John Nielsen

Vote: 7/0

- MJ is 55 years old; with 20 years 1 month service as a lawyer. MJ has metastatic cancer to his bones. His doctor and Dr. McEvoy state that due to pain and fatigue that he can not do his job. His prognosis is poor; Ms. Linjatie doesn't see any need for an annual review.

Motion: Robert Griffith moved to approve request for disability without annual review

Second: John Nielsen

Vote: 7/0

- GO, 52 years old; has worked 16 years and 5 months service as a police officer. GO has severe back pain. Dr. McEvoy has indicated that he can not do heavy work. GO's treating physician is stating that these problems are aggravated by the wearing of a duty belt. Ms. Linjatie is suggesting that the problem is work related, his benefit will be greater if determined as work related. A question was raised as to how a duty belt can cause this. The belt is heavy, over time the belt aggravated the pain in GO's back. GO's doctor is stating that the problem is a result of that. Therefore he is unable to do his usual work.

Motion: John Paull moved to approve the request for duty related disability without annual review.

Second: Terry Smith

Vote: 7/0

- TP, 46 years old; worked 24 years and 2 months services as a correctional officer. TP has a significant abdominal wall defect, his prognosis is grave. Dr. McEvoy is stating that he can not do prison guard work now, and Ms. Linjatie agrees. However, he could come out ok with surgery. Due to his age he can not retire.

Motion: Robert Griffith moved to approve request for disability with review.

Second: Troy McGee

Vote: 7/0

- RP, 56 years old; has worked 20 years of service in administrative support. RP has been diagnosis with heart disease, stroke, visual changes and aphasia (word difficulty). RP prognosis is guarded. Dr. McEvoy feels that RP can not continue working and Ms. Linjatie agrees. Ms. Linjatie was questioned what “prognosis guarded” meant. She will check into this. RP is going to have surgery to prolong her life.

Motion: John Nielsen moved to approve request of disability without annual review.

Second: Troy McGee

Vote: 7/0

- Finalized Service Retirements Disability Benefit Payments Kim Flatow

Motion: John Paull moves to approve the Finalized Service Retirement/Disability Benefit Payments.

Second: Terry Smith

Vote: 7/0

Contested Case/Litigation Updates – Melanie Symons/Scott Miller

Ms. Symons asked that the board to hang on to the information regarding TT. Although the settlement has been made, and everything has been signed, he has not submitted the information to get his annuity contract.

Mr. Miller states that MB’s attorney requested to reschedule in February. The VFCA also requested this.

MPPA talked about in open meeting. Scott Miller

JK’s contested case; we have filed a stipulated motion to dismiss the appeal. Mr. Miller is looking to get that signed order from the hearings officer this week or next. Question brought up is, JK is completed. Mr. Miller states that if the order is signed by the hearing officer dismissing the appeal.

ADJOURNMENT

There being no further business before the Board, Robert Griffith moved to adjourn the meeting, Terry Smith second this motion. All voted aye, next regular meeting will be February 13, 2008. Meeting closed at approximately 1:30.